



Legislation Text

File #: 240286, Version: 2

[COMMITTEE SUBSTITUTE FOR] ORDINANCE NO. 240286

Sponsor: Mayor Quinton Lucas
COMMITTEE SUBSTITUTE

Authorizing the City Manager to execute a Funding Agreement with KC2026, a Missouri 501(c)(4) nonprofit corporation, in the amount of \$15 million over a three-year period for the purpose of providing City services in connection with the 2026 FIFA World Cup competition to be held in Kansas City; authorizing the City Manager to enter into a Novation and a Guaranty of Obligations Agreement with the Federation Internationale de Football Association ("FIFA") to allow KC2026 to serve as the Host City Authority under the Host City Agreement; and directing the City Manager to negotiate an additional agreement with KC2026 to provide capacity for small business that will provide goods and services to support the World Cup.

WHEREAS, on June 16, 2022, Kansas City was selected as one of 16 cities in the U.S., Canada, and Mexico to host the 2026 FIFA World Cup; and

WHEREAS, as a Host City, City entered into a Host City Agreement (as modified by Addendum to Hosting Agreements FIFA World Cup 2026) with FIFA. The Host City Agreement and the Addendum are collectively referred to as Host City Agreement; and

WHEREAS, pursuant to the Host City Agreement, City is responsible for providing services including police, security, fire, traffic, EMS and sanitation services, insurance, and transportation to support the games and related events and activities including a Fan Fest; and

WHEREAS, through Ordinance No. 170979, Committee Substitute for Ordinance No. 171005, and Committee Substitute for Ordinance No. 230580, the City Council declared its commitment to fund the services the City must provide in connection with the 2026 FIFA World Cup competition to be held in Kansas City in the months of June and July of 2026; and

WHEREAS, KC2026 was formed as an independent legal entity and organization in part to advance the social welfare, health and economic interest of Kansas City and the surrounding region through the organization, promotion, management, and supervision of the 2026 FIFA World Cup competition in Kansas City; and

WHEREAS, KC2026 is not a wholly owned or controlled subsidiary of the City and FIFA has approved KC2026 to serve as the Host City Authority; and

WHEREAS, due to its corporate structure as a nonprofit corporation, KC2026 will be uniquely positioned to successfully engage in a vigorous fundraising campaign; and

WHEREAS, KC2026 will be entering into a Rights Package Agreement with FIFA, which will include

certain rights and benefits to generate revenue through promotional, advertising and marketing activities; and

WHEREAS, FIFA and the City desire to enter into a Novation agreement whereby the City will cease to be a party to the Host City Agreement; and

WHEREAS, FIFA and KC2026 desire to enter into a Novation agreement whereby KC2026 shall become a new party to the Host City Agreement, as the Host City Authority; and

WHEREAS, FIFA has asked the City to enter into a Guarantee of Obligations agreement whereby the City agrees to guarantee the obligations of KC2026 as the new Host City Authority under the Host City Agreement to FIFA; and

WHEREAS, KC2026 agrees to perform all the obligations under the Host City Agreement in compliance with the terms and conditions of the Funding Agreement; and

WHEREAS, KC2026 will serve as a catalyst to attract private and public financial support not otherwise available to the City which in turn will help KC2026 to meet all its obligations under the Host City Agreement;

WHEREAS, the Council believes that the agreements being approved in this ordinance provide financial and other benefits to be obtained by the City that are in the best interest of the taxpayers of the City in that they provide tangible financial and other intangible benefits to the City; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the City Manager is hereby authorized and directed to enter into a Funding Agreement with KC2026 in the total amount of \$15 million over a three-year period, for the purpose of providing the necessary City services including police, fire, traffic, EMS and sanitation services, and all other contractual obligations for the 2026 FIFA World Cup games that will be played in Kansas City, as well as all related events and activities.

Section 2. That compensation in the amount of \$5,000,000.00 for the first year of the Funding Agreement will be paid from funds previously appropriated to Account No. 24-2360-632050 with the second- and third-year compensation in the amount of \$5,000,000.00 each subject to appropriation of funds by the City Council.

Section 3. That the City Manager is hereby authorized to enter into a Novation agreement with FIFA whereby the City shall cease to be a party of the Host City Agreement.

Section 4. That the City Manager is hereby authorized to enter into a Guaranty of Obligations agreement with FIFA whereby the City agrees to guarantee the obligations of KC2026 as the new Host City Authority under the Host City Agreement.

Section 5. That the City Manager is directed to negotiate an additional agreement with KC2026 to provide support for small business that will provide goods and services complimentary to the World Cup by allocating \$100,000.00 from the City's annual compensation for each year as provided in this ordinance.

Approved as to form:

Nelson V. Munoz
Deputy City Attorney